

EVERETT CITY COUNCIL AGENDA ITEM COVER SHEET

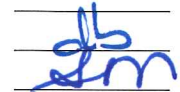
PROJECT TITLE:

Professional Services
Agreement with CH2M HILL
Engineers, Inc. for the Portal 1
Replacement Project

_____ Briefing
_____ Proposed Action
_____ Consent
_____ Action **X**
_____ First Reading
_____ Second Reading
_____ Third Reading
_____ Public Hearing
_____ Budget Advisory

COUNCIL BILL # _____
Originating Department Public Works
Contact Person John Nottingham
Phone Number (425) 257-8872
FOR AGENDA OF Oct 12, 2016

Initialed by:
Department Head
CAA
Council President



<u>Location</u>	<u>Preceding Action</u>	<u>Attachments</u>	<u>Department(s) Approval</u>
Water Filtration Plant Lake Chaplain	Professional Services Agreement for Study Phase 11/04/14	Professional Services Agreement	Public Works, Legal

Amount Budgeted	\$1,800,000	Fund 339
Expenditure Required	\$171,658	WO# 3602
Budget Remaining	\$1,628,342	
Additional Required	-0-	

DETAILED SUMMARY STATEMENT:

Portal 1 is the exposed portion of Tunnel 1 which is used to flow water between Lake Chaplain and the Sultan River. The Portal is an arched concrete structure that was constructed in the early 1900's. The concrete Portal was exposed by a hillside washout that revealed a structure that is highly cracked with evidence of water leaking through the concrete. A condition assessment of the Portal was conducted in 2015 and determined that the Portal should be replaced due to the degradation of the nearly 90 year old concrete.

The Professional Services Agreement with CH2M HILL Engineers, Inc. will facilitate the design and construction support required for the replacement of this facility in an amount not to exceed \$171,658.

RECOMMENDATION (Exact action requested of Council):

Authorize the Mayor to sign the Professional Services Agreement with CH2M HILL Engineers, Inc. for the Portal 1 Replacement Project in the amount of \$171,658.

**CITY OF EVERETT
PROFESSIONAL SERVICES AGREEMENT**

This Professional Service Agreement (this "**Agreement**") is dated _____ 20__, and is between the City of Everett, a Washington municipal corporation and CH2M HILL Engineers, Inc. (the "Service Provider").

1. Engagement of Service Provider. Service Provider shall provide the services described in the attached Exhibit C (the "Scope of Work" or the "Work").

2. Parts of the Agreement. This Agreement consists of this signed document, the General Conditions attached as Exhibit A, the Special Conditions attached as Exhibit B, the Scope of Work attached as Exhibit C, and the compensation and expense provisions attached as Exhibit D. If the Service Provider's proposal is attached as an exhibit or as part of an exhibit, and if such proposal contains or incorporates any conditions or terms in addition to or different from the terms of this Agreement, then the Service Provider expressly agrees that such conditions or terms are neither incorporated nor included into the Agreement between the City and Service Provider.

3. Date of Contract Completion:

December 31, 2017

4. Maximum Total Compensation Amount: \$ 171,658

5. Service Provider Notice Address:

Phil Martinez CH2M 1100 112th Ave NE, Suite 500 Bellevue, WA 98004

6. City Notice Address:

City of Everett Attn: John Nottingham 3200 Cedar Street Everett, WA 98201
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7. City Billing Address:

City of Everett Attn: John Nottingham 3200 Cedar Street Everett, WA 98201
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The City and Service Provider have executed this Agreement as of the date first above written.

**CITY OF EVERETT,
WASHINGTON**

Ray Stephanson, Mayor

Date

ATTEST:

Sharon Fuller, City Clerk

Date

APPROVED AS TO FORM:

James D. Iles, City Attorney

Date

SERVICE PROVIDER: Please fill in the spaces and sign in the box appropriate for your business entity.

Corporation

Full Legal Name CH2M HILL Engineers, Inc.

Signature: 

Name of Signer: Amy McCarlson

Title of Signer: Vice President, Area Manager

Partnership

Full Legal Name:

Signature: _____, Partner

Name of Signer:

Sole Proprietor

Signature: _____, Sole Proprietor

Name:

Limited Liability Company

Full Legal Name

Signature: _____, Managing Member

Name of Signer:

STATE RETIREMENT SYSTEMS

ALL SERVICE PROVIDERS MUST COMPLETE THIS PAGE

Service Provider Name: CH2M HILL Engineers, Inc.

Service Provider Phone Number: 425-453-5000

1. Does Service Provider have twenty-five (25) or more employees?

YES

**IF YES: SKIP REMAINDER OF PAGE
IF NO: ANSWER QUESTIONS 2 AND 3**

2. If a Service Provider employee will perform Work under this Professional Services Agreement, did that employee retire under the Public Employers' Retirement System (PERS), School Employees' Retirement System (SERS), or Teachers' Retirement System (TRS), or Law Enforcement Officers and Fire Fighters plan (LEOFF)?

3. Answer ONLY the question below appropriate for Service Provider's business entity:

Sole Proprietor. Did Service Provider retire under the Public Employers' Retirement System (PERS), School Employees' Retirement System (SERS), or Teachers' Retirement System (TRS), or Law Enforcement Officers and Fire Fighters plan (LEOFF)?

Partnership. If a partner will perform Work under this Professional Services Agreement, did that partner retire under the Public Employers' Retirement System (PERS), School Employees' Retirement System (SERS), or Teachers' Retirement System (TRS), or Law Enforcement Officers and Fire Fighters plan (LEOFF)?

Limited Liability Company. If a member will perform Work under this Professional Services Agreement, did that member retire under the Public Employers' Retirement System (PERS), School Employees' Retirement System (SERS), or Teachers' Retirement System (TRS), or Law Enforcement Officers and Fire Fighters plan (LEOFF)?

Corporation. If a shareholder will perform Work under this Professional Services Agreement, did that shareholder retire under the Public Employers' Retirement System (PERS), School Employees' Retirement System (SERS), or Teachers' Retirement System (TRS), or Law Enforcement Officers and Fire Fighters plan (LEOFF)?

EXHIBIT A

GENERAL CONDITIONS

1. Scope of Work. Without a written directive of an authorized representative of the City, the Service Provider shall not perform any services that are in addition to, or beyond the scope of, the Work. The Service Provider shall perform the Work in a competent and professional manner. If, and to the extent, the Work includes the design of a public work or improvement, in whole or in part, Service Provider's design shall be reasonably accurate, adequate and suitable for its intended purpose.

2. Intellectual Property Rights. Reports, drawings, plans, specifications and any other intangible property created in furtherance of the Work are property of the City for all purposes, whether the project for which they are made is executed or not, and may be used by the City for any purpose. Unless otherwise expressly agreed in writing, all intellectual property rights in such documents or intangible property created pursuant to the Agreement, or for the City of Everett, belong to the City of Everett. Service Provider retains any intellectual property rights in documents and intangible property created by Service Provider prior to engagement, or not created by Service Provider for its performance of the Agreement.

3. Time of Beginning and Completion of Performance. The Agreement shall commence as of the Date of Contract Commencement and shall be completed by the Date of Contract Completion.

4. Compensation.

A. The City shall pay the Service Provider only for completed Work and for services actually rendered which are described herein. Such payment shall be full compensation for Work performed or services rendered, including, but not limited to, all labor, materials, supplies, equipment and incidentals necessary to complete the Work.

B. The Service Provider shall be paid such amounts and in such manner as described in Exhibit D.

C. Service Provider may receive payment as reimbursement for Eligible Expenses actually incurred. "Eligible Expenses" means those types and amounts of expenses either listed in Exhibit D or such expenses as are approved for reimbursement by the City in writing prior to the expense being incurred. If Exhibit D regarding expenses is either blank or not attached, expenses may not be reimbursed unless prior written approval was obtained from the City. An expense shall not be reimbursed if: (1) the expense is not identified in Exhibit D; (2) the expense exceeds the per item or cumulative limits for such expense if it is identified in Exhibit D; or (3) the expense was not approved in writing by an authorized City representative prior to the Service Provider incurring the expense. If, and to the extent, overnight lodging in western Washington is authorized, Service Provider is strongly encouraged to lodge within the corporate limits of City. When authorized, Service Provider will be reimbursed 100% of lodging expense, if lodged within the corporate limits of the City, but Service Provider will be reimbursed 50% of lodging expense when lodged outside the corporate limits of the City. If authorized, the City may (at its sole option) obtain or arrange air travel for the Service Provider.

D. Total compensation, including all services and expenses, shall not exceed the Maximum Total Compensation Amount.

E. If Service Provider fails or refuses to correct its work when so directed by the City, the City may withhold from any payment otherwise due an amount that the City in good faith believes is equal to the cost to the City of correcting, re-procuring, or remedying any damage caused by Service Provider's conduct.

5. Method of Payment.

A. To obtain payment, the Service Provider shall (a) file its request for payment, accompanied by evidence satisfactory to the City justifying the request for payment; (b) submit a report of Work accomplished and hours of all tasks completed; (c) to the extent reimbursement of Eligible Expenses is sought, submit itemization of such expenses and, if requested by the City, copies of receipts and invoices; and (d) comply with all applicable provisions of the Agreement. Service Provider shall be paid no more often than once every thirty days.

B. All requests for payment should be sent to the payment address on the first page of the Agreement.

6. Submission of Reports and Other Documents. The Service Provider shall submit all reports and other documents as and when specified in Exhibit C. Said information shall be subject to review by the City, and if found to be unacceptable, Service Provider shall correct and deliver to the City any deficient Work at Service Provider's expense with all practical dispatch. Service Provider shall abide by the City's determinations concerning acceptability of Work.

7. Termination of Contract. City reserves the right to terminate the Agreement at any time by sending written notice of termination to Service Provider ("Notice"). The Notice shall specify a termination date ("Termination Date") at least fourteen (14) days after the date the Notice is issued. The Notice shall be effective ("Notice Date") upon the earlier of either actual receipt by Service Provider (whether by fax, mail, delivery or other method reasonably calculated to be received by Service Provider in a reasonably prompt manner) or three calendar days after issuance of the Notice. Upon the Notice Date, Service Provider shall immediately commence to end the Work in a reasonable and orderly manner. Unless terminated for Service Provider's material breach, the Service Provider shall be paid or reimbursed for: (a) all hours worked and Eligible Expenses incurred up to the Notice Date, less all payments previously made; and (b) those hours worked and Eligible Expenses incurred after the Notice Date, but prior to the Termination Date, that were reasonably necessary to terminate the Work in an orderly manner. Notices under this Section 7 shall be sent by the United States Mail to Service Provider's address provided herein, postage prepaid, certified or registered mail, return receipt requested, or by delivery. In addition, Notices may also be sent by any other method reasonably believed to provide Service Provider actual notice in a timely manner, such as fax. The City does not by this Section 7 waive, release or forego any legal remedy for any violation, breach or non-performance of any of the provision of the Agreement. At its sole option, City may deduct from the final payment due the Service Provider (a) any damages, expenses or costs arising out of any such violations, breaches, or non-performance and (b) any other backcharges or credits.

8. Changes. The City may, from time to time, unilaterally change the scope of the services of the Service Provider to be performed hereunder. Such changes, including any increase or decrease in the scope of work (and resulting increase or decrease in compensation), shall: (a) be made only in writing and signed by an authorized City representative, (b) be explicitly identified as an amendment to the Agreement and (c) become a part of the Agreement.

9. Subletting/Assignment of Contracts. Service Provider shall not sublet or assign any of the Work without the express, prior written consent of the City.

10. Indemnification. Except as otherwise provided in this Section 10, the Service Provider hereby agrees to defend and indemnify the City from any and all Claims arising out of, in connection with, or incident to any negligent or intentional acts, errors, omissions, or conduct by Service Provider (or its employees, agents, representatives or subcontractors/subconsultants) relating to this Agreement, whether such Claims sound in contract, tort, or any other legal theory. The Service Provider is obligated to defend and indemnify the City pursuant to this Section 10 whether a Claim is asserted directly against the City, or whether it is asserted indirectly against the City, e.g., a Claim is asserted against someone else who then seeks contribution or indemnity from the City. The Service Provider's duty to defend and indemnify pursuant to this Section 10 is not in any way limited to, or by the extent of, insurance obtained by, obtainable by, or required of the Service Provider. The Service Provider's obligations under this Section 10 shall not apply to Claims caused by the sole negligence of the City. If (1) RCW 4.24.115 applies to a particular Claim, and (2) such Claim is caused by or results from the concurrent negligence of (a) the Service Provider, its employees, subcontractors/subconsultants or agents and (b) the City, then the Service Provider's obligations under this Section 10 shall apply only to the extent allowed by RCW 4.24.115. Solely and expressly for the purpose of its duties to indemnify and defend the City, the Service Provider specifically waives any immunity it may have under the State Industrial Insurance Law, Title 51 RCW. The Service Provider recognizes that this waiver of immunity under Title 51 RCW was specifically entered into pursuant to the provisions of RCW 4.24.115 and was the subject of mutual negotiation. As used in this Section 10: (1) "City" includes the City, the City's officers, employees, agents, and representatives and (2) "Claims" include, but is not limited to, any and all losses, penalties, fines, claims, demands, expenses (including, but not limited to, attorney's fees and litigation expenses), suits, judgments, or damages, irrespective of the type of relief sought or demanded, such as money or injunctive relief, and irrespective of whether the damage alleged is bodily injury, damage to property, economic loss, general damages, special damages, or punitive damages. If, and to the extent, Service Provider employs or engages subconsultants or subcontractors, then Service Provider shall ensure that each such subconsultant and subcontractor (and subsequent tiers of subconsultants and subcontractors) shall expressly agree to defend and indemnify the City to the extent and on the same terms and conditions as the Service Provider pursuant to this Section 10.

11. Insurance.

A. Service Provider shall comply with the following conditions and procure and keep in force during the term of the Agreement, at Service Provider's own cost and expense, the following policies of insurance with companies authorized to do business in the State of Washington, which are rated at least "A" or better and with a numerical rating of no less than seven (7), by A.M. Best Company and which are acceptable to the City.

1. Workers' Compensation Insurance as required by Washington law and Employer's Liability Insurance with limits not less than \$1,000,000 per occurrence. If the City authorizes sublet work, the Service Provider shall require each subcontractor to provide Workers' Compensation Insurance for its employees, unless the Service Provider covers such employees.

2. Commercial General Liability Insurance on an occurrence basis in an amount not less than \$1,000,000 per occurrence and at least \$2,000,000 in the annual aggregate, including but not limited to: premises/operations (including off-site operations), blanket contractual liability and broad form property damage.

3. Business Automobile Liability Insurance in an amount not less than \$1,000,000 per occurrence, extending to any automobile. A statement certifying that no vehicle will be used in accomplishing the Agreement may be substituted for this insurance requirement.

4. Professional Errors and Omissions Insurance in an amount not less than \$1,000,000 per occurrence and \$1,000,000 in the annual aggregate. Such coverage may be written on a claims made basis. If both parties agree that the Work does not warrant Service Provider providing Professional Errors and Omissions Insurance, this Section 11.A.4 may be stricken and initialed by both parties.

B. The above liability policies shall be primary as to the City and shall contain a provision that the policy shall not be canceled or materially changed without 30 days prior written notice to the City. No cancellation provision in any insurance policy shall be construed in derogation of the continuous duty of the Service Provider to furnish the required insurance during the term of the Agreement.

C. Upon written request by the City, the insurer or his/her agent will furnish, prior to or during any Work being performed, a copy of any policy cited above, certified to be a true and complete copy of the original.

D. Prior to the Service Provider performing any Work, Service Provider shall provide the City with a Certificate of Insurance acceptable to the City Attorney evidencing the required insurance. Service Provider shall provide the City with either (1) a true copy of an endorsement naming the City of Everett, its officers, employees and agents as Additional Insureds on the Commercial General Liability Insurance policy and the Business Automobile Liability Insurance policy with respect to the operations performed and services provided under the Agreement and that such insurance shall apply as primary insurance on behalf of such Additional Insureds or (2) a true copy of the blanket additional insured clause from the policies. Receipt by the City of any certificate showing less coverage than required is not a waiver of the Service Provider's obligations to fulfill the requirements.

E. If the policy listed in Section 11.A.4. above, Professional Errors and Omissions Insurance, is on a claims made policy form, the retroactive date on the policy shall be the effective date of the Agreement or prior. The retroactive date of any subsequent renewal of such policy shall be the same as the original policy provided. The extended reporting or discovery period on a claims made policy form shall not be less than 36 months following expiration of the policy. (This Section 11.E shall not apply if Section 11.A.4. above is stricken.)

F. Service Provider certifies that it is aware of the provisions of Title 51 of the Revised Code of Washington that requires every employer to be insured against liability of Workers' Compensation, or to undertake self-insurance in accordance with the provisions of that Title. Service Provider shall comply with the provisions of Title 51 of the Revised Code of Washington before commencing the performance of the Work. Service Provider shall provide the City with evidence of Workers' Compensation Insurance (or evidence of qualified self-insurance) before any Work is commenced.

G. In case of the breach of any provision of this Section 11, the City may, at its option and with no obligation to do so, provide and maintain at the expense of Service Provider, such types of insurance in the name of the Service Provider, and with such insurers, as the City may deem proper, and may deduct the cost of providing and maintaining such insurance from any sums which may be found or become due to Service Provider under the Agreement or may demand Service Provider to promptly reimburse the City for such cost.

12. Independent Contractor.

A. The Agreement neither constitutes nor creates an employer-employee relationship. Service Provider must provide services under the Agreement as an independent contractor. Service Provider must comply with all federal and state laws and regulations applicable to independent contractors including, but not limited to, the requirements listed in this Section 12. Service Provider agrees to indemnify and defend the City from and against any claims, valid or otherwise, made against the City because of these obligations.

B. In addition to the other requirements of this Section 12, if Service Provider is a sole proprietor, Service Provider agrees that Service Provider is not an employee or worker of the City under Chapter 51 of the Revised Code of Washington, Industrial Insurance for the service performed in accordance with the Agreement, by certifying to the following:

(1) Service Provider is free from control or direction over the performance of the service; and

(2) The service performed is outside the usual course of business for the City, or will not be performed at any place of business of the City, or Service Provider is responsible for the costs of the principal place of business from which the service is performed; and

(3) Service Provider is customarily engaged in an independently established business of the same nature as the service performed, or has a principal place of business for the service performed that is eligible for a business deduction for federal income tax purposes; and

(4) On the effective date of the Agreement, Service Provider is responsible for filing a schedule of expenses, for the next applicable filing period, with the internal revenue revenue service for the type of service performed; and

(5) By the effective date of the Agreement or within a reasonable time thereafter, Service Provider has established an account with the department of revenue and other state agencies, where required, for the service performed for the payment of all state taxes normally paid by employers and businesses and has registered for and received a unified business identifier number from the state of Washington; and

(6) By the effective date of the Agreement, Service Provider is maintaining a separate set of records that reflect all items of income and expenses of the services performed.

C. Any and all employees of the Service Provider, while engaged in the performance of any Work, shall be considered employees of only the Service Provider and not employees of the City. The Service Provider shall be solely liable for any and all claims that may or might arise under the for any and all claims that may or might arise under the Worker's Compensation Act on behalf of said employees

General Conditions Page 5

or Service Provider, while so engaged and for any and all claims made by a third party as a consequence of any negligent act or omission on the part of the Service Provider's employees, while so engaged on any of the Work. Service Provider shall comply with all applicable provisions of the Fair Labor Standards Act and other legislation affecting its employees and the rules and regulations issued thereunder insofar as applicable to its employees and shall at all times save the City free, clear and harmless from all actions, claims, demands and expenses arising out of said act, and rules and regulations that are or may be promulgated in connection therewith.

D. Service Provider assumes full responsibility for the payment of all payroll taxes, use, sales, income, or other form of taxes (such as state and, city business and occupation taxes), fees, licenses, excises or payments required by any city, federal or state legislation which are now or may during the term of the Agreement be enacted as to all persons employed by the Service Provider and as to all duties, activities and requirements by the Service Provider in performance of the Work and Service Provider shall assume exclusive liability therefore, and meet all requirements thereunder pursuant to any rules or regulations that are now or may be promulgated in connection therewith.

13. Employment. The Service Provider warrants that he had not employed or retained any company or person, other than a bona fide employee working solely for the Service Provider, to solicit or secure the Agreement and that he has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the Service Provider, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of the Agreement. For breach or violation of this warranty, the City shall have the right to annul the Agreement without liability or, in its discretion, to deduct from the Agreement price or consideration or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

14. Audits and Inspections. At any time during normal business hours and as often as the City may deem necessary, the Service Provider shall make available to the City for the City's examination all of the Service Provider's records and documents with respect to all matters covered by the Agreement and, furthermore, the Service Provider will permit the City to audit, examine and make copies, excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by the Agreement.

15. City of Everett Business License. Service Provider agrees to obtain a City of Everett business license prior to performing any work pursuant to the Agreement.

16. State of Washington Requirements. Service Provider agrees to register and obtain any State of Washington business licenses, Department of Revenue account and/or unified business identifier number as required by RCW 50.04.140 and 51.08.195 prior to performing any work pursuant to the Agreement.

17. Compliance with Federal, State and Local Laws. Service Provider shall comply with and obey all federal, state and local laws, regulations, and ordinances applicable to the operation of its business and to its performance of work hereunder.

18. Compliance with Grant Terms and Conditions. Service Provider shall comply with any and all conditions, terms and requirements of any federal, state or other grant that wholly or partially funds Service Provider's work hereunder.

19. Compliance with the Washington State Public Records Act. Service Provider acknowledges that the City is subject to the Public Records Act, chapter 42.56 RCW (the "Act"). All records owned, used or retained by the City are public records subject to disclosure unless exempt under the Act, whether or not such records are in the possession or control of the City or Service Provider. Service Provider shall cooperate with the City so that the City may comply with all of its obligations under the Act. Within ten (10) days after receipt of notice from the City, Service Provider shall deliver to the City copies of all records relating to the Agreement or relating to the Work that the City determines qualify as the City's public records under the Act. If the City receives a public records request relating to the Agreement or relating to the Work, the City shall seek to provide notice to Service Provider at least ten (10) days before the City releases records pursuant to such public records request, but in no event will the City have any liability to Service Provider for any failure of the City to provide such notice. In addition to its other indemnification and defense obligations under the Agreement, Service Provider shall indemnify and defend the City from and against any and all losses, penalties, fines, claims, demands, expenses (including, but not limited to, attorney's fees and litigation expenses), suits, judgments, or damage arising from or relating to any failure of Service Provider to comply with this Section 18.

20. Equal Employment Opportunity. Service Provider shall not discriminate against any employee, applicant for employment, independent Service Provider, or proposed independent Service Provider, on the basis of race, color, religion, sex, age, disability, marital state, or national origin.

21. Waiver. Any waiver by the Service Provider or the City or the breach of any provision of the Agreement by the other party will not operate, or be construed, as a waiver of any subsequent breach by either party or prevent either party from thereafter enforcing any such provisions.

22. Complete Agreement. The Agreement contains the complete and integrated understanding and Agreement between the parties and supersedes any understanding, Agreement or negotiation whether oral or written not set forth herein.

23. Modification of Agreement. The Agreement may be modified as provided in ¶8, or by a writing explicitly identified as a modification of the Agreement that is signed by authorized representatives of the City and the Service Provider.

24. Severability. If any part of the Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void, insofar as it is in conflict with said laws, and the remainder of the Agreement shall remain in full force and effect.

25. Notices.

- A. Notices to the City of Everett shall be sent to the notice address on the first page of the Agreement.
- B. Notices to the Service Provider shall be sent to the notice address on the first page of the Agreement.

26. Venue. Venue for any lawsuit arising out of the Agreement shall be in the Superior Court of Snohomish County, Washington.

27. Governing Law. The laws of the State of Washington, without giving effect to principles of conflict of laws, govern all matters arising out of or relating to the Agreement.

EXHIBIT B
SPECIAL CONDITIONS
(CH2MHill 2014)

1. Insert the following as the second sentence of Section 2 of the General Conditions:

Any reuse by the City of these reports, drawings, plans specifications and intangible property for purposes other than in connection with the Work is at the sole risk of the City.

2. Insert the following at the end of Section 11.5C of the General Conditions:

except that, unless there is litigation or threatened litigation involving the City related to this Agreement, Service Provider may redact names from the insurance policies of the Service Provider's other clients and may redact other items not relevant to the scope or limits of coverage under the policies.

Exhibit C - Scope of Work

Portal 1 Replacement Design Project

CH2M HILL Engineers, Inc. (Service Provider) agrees to furnish the City of Everett (City) the following services, as described in this Exhibit C. The budget for this work is presented in Exhibit D.

The task budget subtotals in Exhibit D identify Service Provider's anticipated focus and level of effort; however, the task budget subtotals do not represent not-to-exceed budget limits. The overall budget total for this Agreement of \$171,658 shall be the not-to-exceed budget limit. Managing to the overall budget total shall be effected in recognition that some task budgets may be exceeded while others may be under-spent. Invoices shall be prepared and submitted on approximately a monthly basis and configured so that labor and expenses costs are grouped and tracked at the task level (e.g. Task 1, Task 2, Task 3, etc).

Anticipated Schedule

Work is anticipated to begin in early November 2016 and continue as indicated below:

- Surveying: November 2016
- Design: November 2016 thru February 2017
- Bidding: March 2017 or later
- Construction: Fall 2017 or Spring 2018

Service Provider and City agree that City may wish to pre-purchase the steel pipe for the project prior to bidding the construction contract in an effort to enable construction during the Spring of 2017. The technical specification for the pipe is anticipated to be available for use by the City by early February. Should the City pre-purchase the steel pipe it is understood the City would prepare the purchase order documents that are necessary and required for this task.

Key Assumptions

Several key assumptions are presented herein because they have direct impact to the budget presented in Exhibit B.

- Funding for the project will be with City funds, not federal or state loan or grant funds requiring additional documentation and procedural requirements to be incorporated into the bidding documents. City will obtain all permits necessary for the project; complete all required applications; develop all supporting exhibits; and manage all required processes and hearings.
- It is assumed that no building permit will be required by Snohomish County.
- Special Inspection requirements shall be included in the design for the applicable structural elements of the design. City shall procure these special inspection support services.
- Because less than one acre of ground is anticipated to be disturbed, no stormwater management analysis/reporting, stormwater pollution prevention plan, or other drainage reporting are required for the project.
- Service Provider shall prepare the technical specifications in Service Provider's standard 49 Division, Construction Specification Institute (CSI) Format.

- Design drawings shall be prepared in Micro Station format resulting in half size = 11"x17" and full size = 22"x34" drawings. Service Provider shall convert Micro Station electronic files into AutoCAD format, and provide AutoCAD electronic files to City upon completion of design.
- City will provide to Service Provider all data in City's possession relating to Service Provider's services on the project. Service Provider will reasonably rely upon the accuracy, timeliness, and completeness of the information provided by City.
- City will manage and undertake bidding of the construction contract and manage and undertake on-site resident observation of construction. City will also review shop drawings and address questions and inquiries from the contractor.
- It is assumed that the project site is entirely on property owned by the City of Everett. No property boundary surveying is included as part of this work.
- Given that no soil borings or other geotechnical investigations were conducted at the project site, it is assumed that subsurface conditions are suitable for founding the new concrete portion of Portal 1 with a new floor-slab that may be as much as 1 foot thicker than the existing floor slab.
- Large construction equipment will be required at the Portal 1 project site, including: a crane, backhoe, dump truck, concrete mixer truck, pipe delivery truck, and other service vehicles. It is assumed that these vehicles can access the project site from the adjacent access road either from one direction or the other. As part of the design, Service Provider shall specify that equipment and vehicle selection and access improvements shall be made as deemed necessary by the contractor to complete the work.
- Soil and groundwater at the drilling sites are assumed to be free of contamination; thus, no special care, health and safety plan, and handling is needed during field operations and laboratory work.
- City will provide the maximum water surface elevation of the conveyed water from Lake Chaplain upon which the modified portal structure shall be designed.

Task 1. Surveying

Service Provider shall subcontract with a qualified surveying firm to complete the field survey and establish horizontal and vertical control points within the project area but outside the area of construction. Survey datum shall be NAD 83/2011 and NAVD 88, to be established by static GPS methods with National Geodetic Survey (NGS) On-Line Positioning User Service (OPUS).

The limits of the project area for which surveying shall be completed shall be up to 40,000 square feet surrounding the existing portal structure. The actual limits of the survey shall be defined as part of a preliminary site visit to be attended by Service Provider's project manager, the survey subcontractor, and City. The survey is anticipated to require up to three 8-hour work days in the field for a two-person crew to complete the initial survey. A single, additional day of surveying is reserved for incorporating the geotechnical boreholes and potentially picking up other surface features not incorporated during the initial visit.

Service Provider shall prepare a 1"=20' topographic base map and Digital Terrain Model (DTM) of the project limits. The base map will include, but not be limited to, the existing portal structure, the access road, existing cleared area, other key surface features, signs, trees (greater than 12-inches in diameter), ditches, culverts, buried pipes (as painted out by City), catch basins, bridges, utility poles, and other surface features within the mapping limits. One-foot contours will be generated from the DTM.

Deliverables:

- Base Map (PDF) with Subcontractor's professional land surveyor stamp and signature
- Electronic copy of the raw survey data and base map in AutoCAD format

Task 2. Design

Service Provider's design of the modified portal project shall include two draft phases and associated deliverables along with a final, PE-stamped and signed deliverable suitable for bidding the construction contract.

The modified portal structure shall connect to the existing tunnel and to the existing steel pipe spool that leads to the pipeline that extends to the diversion dam on the Sultan River. It is understood that this steel pipe spool and steel pipe section connect to reinforced concrete pipe somewhere toward the diversion dam.

The modified portal structure shall be comprised of the following key features:

- Removal of a portion of the existing concrete tunnel portal structure (approximately the furthest 20 linear feet to the east). This includes the portion of the tunnel portal that connects to the pipeline that extends to the diversion dam as well as the vertical and horizontal access. It includes exposing and leaving in place the existing steel pipe spool that serves as an increaser that connects from the existing portal structure to the 72-inch pipeline that extends to the diversion dam.
- A new steel pipe placed inside the remaining existing tunnel portal structure that extends approximately 10 to 20 feet inside the tunnel and is a total of approximately 70 to 80 feet in length. Grout the annular space between the steel pipe and the existing tunnel portal structure.
- A new cast-in-place reinforced concrete structure that connects the new steel tunnel liner pipe and the existing steel increaser spool that connects to the pipe that extends to the diversion dam. A vent will be incorporated into the new cast-in-place concrete structure. Horizontal access similar to the existing horizontal access will be incorporated at approximately the same location.

The design is anticipated to include technical specifications for steel pipe, cement grout, cast-in-place concrete, reinforcing steel, coatings systems, and other ancillary elements. The project drawings shall include all title, index, general, demolition, structural, site civil, and related details to enable bidding the project.

Additionally, Service Provider shall complete all applicable Division 0 and Division 1 specifications for the project, including advertisement, bidding, bonding, Agreement, and general conditions. Service Provider shall use City's standard Division 0 specifications and Service Provider's standard Division 1 specifications.

The draft and final design phases are presented in the subtask descriptions below. Service Provider shall furnish review comment logs at each draft design stage to City for use in summarizing, documenting, and transmitting City review comments.

2.1 30-Percent

Service Provider shall prepare a 30-percent complete submittal of the design. During this phase of design, the site civil elements of the project will be advanced to characterize impacts during construction and present the post-construction condition. The configuration and dimensions of the new portal structure will be developed as well as site civil plan and grading (including vehicle access to the site). Title and other general drawing sheets will be developed. No specifications will be developed for the 30 percent design. No connection, structural, or site civil details will be developed for this submittal.

Service Provider shall prepare and submit via email a PDF of the drawings for City to review and comment. City and Service Provider shall meet at City's Everett office to discuss the 30-percent design submittal and address City review comments.

Deliverables:

- PDF of 30-percent complete drawings

2.2 90-Percent

Service Provider shall prepare a 90-percent complete submittal of the design. The design submittal shall reflect incorporation of City's review comments on the 30 percent submittal. During this phase of design, the drawings and specifications shall be completed to a final draft stage to enable City a final review of the design prior its finalization. Each of the drawings, associated details, and specifications will be fully developed.

Service Provider shall prepare and submit via email a PDF of the drawings and specifications for City to review and comment. City and Service Provider shall meet at City's Everett office to discuss the 90-percent design submittal and address City review comments.

Deliverables:

- PDF of 90-percent complete drawings and specifications

2.3 100-Percent

Service Provider shall prepare a 100-percent complete submittal of the design. Each of the drawings shall be PE-stamped and signed. The specifications shall be accompanied by a PE-stamped and signed cover sheet identifying the specifications linked to the responsible engineer. The 100-percent design submittal shall reflect incorporation of City's review comments on the 90 percent submittal. The 100-percent drawings and specifications shall be suitable for incorporation by City into bidding and contract document to be developed by City for bidding the construction contract.

Service Provider shall prepare and submit via email a PDF of the 100-percent complete drawings and specifications for City to incorporate into the bidding and contract document.

Deliverables:

- PDF of 100-percent complete drawings and specifications
- AutoCAD files of drawings

Task 3. Cost Estimate

Service Provider shall estimate the cost of the construction contract for the project using Service Provider's standard Timberline software and format. The initial cost estimate shall be developed upon completion of preliminary (30 percent) design. This initial cost estimate shall be updated and refined at subsequent design stages (90 percent, and 100 percent). The cost estimate at the 100-percent design stage shall be suitable for use as the Engineer's Cost Estimate for construction contract bidding purposes.

The cost estimates shall conform to the classification standards established by the Association of the Advancement of Cost Engineering International (AACEI). The Class of estimate shall be as follows for each of the estimates developed:

- 30-percent design: Class 4

- 90-percent design: Class 2
- 100-percent design: Class 1

In providing opinions of construction cost, Service Provider has no control over cost or price of labor and materials; unknown or latent conditions of existing equipment or structures that may affect operation or maintenance costs; competitive bidding procedures and market conditions; time or quality of performance by operating personnel or third parties; and other economic and operational factors that may materially affect the ultimate project cost or schedule. Therefore, Service Provider makes no warranty that the City's actual project costs, financial aspects, economic feasibility, or schedules will not vary from Service Provider's analyses, projections, and/or estimates.

Deliverables:

- 30-percent cost estimate
- 90-percent cost estimate
- 100-percent cost estimate

Task 4. Services during Bidding and Construction

Service Provider shall assist the City, as necessary and as directed by City, during bidding and construction of the project based on the Contract Documents prepared by Service Provider. Service Provider's assistance during bidding may include input related to addressing bidder questions, developing addenda content, and attending pre-bid meeting. Service Provider's assistance during construction may include structural observation related to reinforcing steel, responding to contractor questions, reviewing technical submittals and shop drawings, technical support to City, and assistance of change order materials. The budget for this task is an allowance to be expended, as necessary, and as directed by City up to the limit of the budget for this task.

Task 5. Project Management

Service Provider's project manager shall manage Service Provider's project team, task leads, overall execution of the project, and accurate accounting of the project budget. Service Provider shall work with Service Provider's project accountant to prepare and submit invoices on a monthly basis along with a monthly project status memo addressing and describing work covered by the invoice. Any significant project budget or accounting issues shall be addressed in the monthly status memo for City's review and consideration. Service Provider shall prepare internal, standard, required work-execution, quality control, health and safety, and budget control work products necessary to effectively execute the work.

The scope and budget for this task includes time for Service Provider's project manager to meet weekly by phone with City's project manager and to meet monthly in person in Everett with City's project manager to provide continual status updates and coordination throughout the project. These meetings are in addition to other meetings identified for various tasks for this project. No formal documentation of the content and results of these meetings shall be prepared.

Deliverables:

- Monthly invoice and budget summary spreadsheet
- Monthly status memo accompanying the invoice

Task 6. Directed Services

This Directed Services task is intended to support the project with additional services by the Service Provider that are not known at this time. Such support shall only be undertaken at the specific direction of City.

Exhibit D
Budget for Portal 1 Design

Task	Subcontract Expense	Total
Task 1. Surveying	\$8,000	\$14,776
Task 2. Design		\$93,031
Task 3. Cost Estimate		\$8,573
Task 4. Services during Bidding and Construction		\$28,421
Task 5. Project Management		\$13,754
Task 6. Directed Services		\$13,103
Total		\$171,658

City of Everett - Exhibit D

PROJECT HOURS AND BUDGET ESTIMATE

Date: 12-Sep-16										
Labor Category	Direct Salary Rates	HOURS FOR EACH TASK						Total Hours	Cost	
		Task 1 Surveying	Task 2 Design	Task 3 Cost Est.	Task 4 Bid/Const.	Task 5 P. Mngmt.	Task 6 Misc.			
1 Principle in Charge - W. Bennett	\$ 89.18		36		8			6	\$	4,459
2 Project Manager - P. Martinez	\$ 75.90	10	60	8		40		8	\$	11,992
Project Accountant - L. Hurt	\$ 30.41	4				40		8	\$	1,581
3 Design Manager - D. Smith	\$ 45.77	4	70	16	24			8	\$	5,584
4 Geotechnical Professional - K. Green	\$ 82.05		16		8			4	\$	2,297
5 Civil Professional - R. Beiler	\$ 76.55		30		16			4	\$	3,828
6 Structural Design Lead - D. Smith	\$ 45.77		74		36			10	\$	5,492
7 Civil Design Lead - S. Sztern	\$ 50.97	4	56		24			8	\$	4,889
8 Drafter - A. Hukic	\$ 36.86		80					8	\$	3,244
9 Drafter - J. Yang	\$ 44.83	6	80					8	\$	4,214
10 Estimating Professional - N. Cavalleri	\$ 39.75			36				4	\$	1,590
Subcontract Reviewer - C. Yeager	\$ 57.79	6						0	\$	347
11 Specification Processing - C. Perrine	\$ 30.82		85					4	\$	2,743
Total Task Hours		34	587	60	148	80	80	989		
Subtotal Direct Salary Cost (DSC), \$		1,883	29,974	2,771	8,993	4,252	4,187		\$	52,060
Overhead on DSC (indirect cost) @ 154.00%		2,900	46,160	4,267	13,849	6,548	6,448		\$	80,172
Total Labor Cost, \$		4,783	76,134	7,038	22,842	10,800	10,635		\$	132,232
Expenses, \$									\$	
Expense 1/ Mileage	0	150	300		600	600	150		\$	1,800
Expense 2 / Misc									\$	
Total Expenses		150	300	0	600	600	150		\$	1,800
TOTAL LABOR AND EXP		4,933	76,434	7,038	23,442	11,400	10,785		\$	134,032
Subconsultant Expenses, \$									\$	
SUB 1, Surveyor (Perfeet)		8,000							\$	8,000
SUB 2									\$	\$0
SUB 3									\$	\$0
SUB 4									\$	\$0
Total Subconsultant Expenses		8,000	0	0	0	0	0		\$	\$8,000
TOTAL SUBCONSULTANTS		8,000	0	0	0	0	0		\$	\$8,000
Subconsultant Admin Mark-up	10.0%	800	0	0	0	0	0		\$	\$800
Subtotal Cost by Task	20	13,733	76,434	7,038	23,442	11,400	10,785		\$	142,832
FEE (% of Total DSC & Overhead)	20.0%	957	15,227	1,408	4,568	2,160	2,127		\$	26,447
Federally Funded FEE (% of DSC Only)	0.0%	0	0	0	0	0	0		\$	-
Next Year's Labor Escalation*	3.0%	86	1,370	127	411	194	191		\$	2,379.00
TOTAL ESTIMATED COST AND FEE, \$		14,776	93,031	8,573	28,421	13,754	13,103		\$	171,658

* Next year's labor escalation was calculated assuming 50.0% of the work would be completed next year. Enter data in yellow & green shaded cells only. Other formula cells are locked to prevent accidental changes. There is no password protection.

Overall Project Multiplier 3.05

Profit as a % of Direct Salary Cost (DSC) 50.8%

**City of Everett - Exhibit D
PROJECT HOURS AND BUDGET ESTIMATE**

Date: 12-Sep-16

Labor Category	Direct Salary Rates	HOURS FOR EACH TASK						Total Hours	Cost
		Task 1 Surveying	Task 2 Design	Task 3 Cost Est.	Task 4 Bid/Const	Task 5 P. Mngmt.	Task 6 Misc.		
1 Principle in Charge - W. Bennett	\$ 89.18		36		8		6	50	\$ 4,459
2 Project Manager - P. Martinez	\$ 75.90	10	60	8	32	40	8	158	\$ 11,992
Project Accountant - L. Hurt	\$ 30.41	4				40	8	52	\$ 1,581
3 Design Manager - D. Smith	\$ 45.77	4	70	16	24		8	122	\$ 5,584
4 Geotechnical Professional - K. Green	\$ 82.05		16		8		4	28	\$ 2,297
5 Civil Professional - R. Beiler	\$ 76.55		30		16		4	50	\$ 3,828
6 Structural Design Lead - D. Smith	\$ 45.77		74		36		10	120	\$ 5,492
7 Civil Design Lead - S. Szlem	\$ 50.97	4	56		24		8	92	\$ 4,689
8 Drafter - A. Hukic	\$ 36.86		80				8	88	\$ 3,244
9 Drafter - J. Yang	\$ 44.83	6	80				8	94	\$ 4,214
10 Estimating Professional - N. Cavalleri	\$ 39.75			36			4	40	\$ 1,590
Subcontract Reviewer - C. Yeager	\$ 57.79	6					0	6	\$ 347
11 Specification Processing - C. Perrine	\$ 30.82		85				4	89	\$ 2,743
Total Task Hours		34	587	60	148	80	80	989	
Subtotal Direct Salary Cost (DSC), \$		1,883	29,974	2,771	8,993	4,252	4,187		\$ 52,060
Overhead on DSC (Indirect cost) @ 154.00%		2,900	46,160	4,267	13,849	6,548	6,448		\$ 80,172
Total Labor Cost, \$		4,783	76,134	7,038	22,842	10,800	10,635		\$ 132,232
Expenses, \$		Task 1	Task 2	Task 3	Task 4	Task 5	Task 6		
Expense 1/ Mileage	0	150	300		600	600	150		\$ 1,800
Expense 2 / Misc									\$ -
Total Expenses		150	300	0	600	600	150		\$ 1,800
TOTAL LABOR AND EXP		4,933	76,434	7,038	23,442	11,400	10,785		\$ 134,032
Subconsultant Expenses, \$		Task 1	Task 2	Task 3	Task 4	Task 5	Task 6		
SUB 1, Surveyor (Perrine)		8,000							\$8,000
SUB 2									\$0
SUB 3									\$0
SUB 4									\$0
Total Subconsultant Expenses		8,000	0	0	0	0	0		\$8,000
TOTAL SUBCONSULTANTS		8,000	0	0	0	0	0		\$8,000
Subconsultant Admin Mark-up	10.0%	800	0	0	0	0	0		\$800
Subtotal Cost by Task	20	13,733	76,434	7,038	23,442	11,400	10,785		\$ 142,832
FEE (% of Total DSC & Overhead)	20.0%	957	15,227	1,408	4,568	2,160	2,127		\$ 26,447
Federally Funded FEE (% of DSC Only)	0.0%	0	0	0	0	0	0		\$ -
Next Year's Labor Escalation*	3.0%	86	1,370	127	411	194	191		\$ 2,379.00
TOTAL ESTIMATED COST AND FEE, \$		14,776	93,031	8,573	28,421	13,754	13,103		\$ 171,558

* Next year's labor escalation was calculated assuming 50.0% of the work would be completed next year.

Enter data in yellow & green shaded cells only. Other formula cells are locked to prevent accidental changes. There is no password protection.

Overall Project Multiplier	3.05
Profit as a % of Direct Salary Cost (DSC)	50.8%